

## **Social Innovation Fund to Nationally Replicate Successful Economic Opportunity Programs**

### **Program Design Paper for WORKADVANCE: A Sector-Focused Advancement Initiative for Low-Wage Working Adults in New York, NY; Northeast Ohio; and Tulsa , OK**

The Mayor's Fund to Advance New York City ("The Mayor's Fund" or MF) and the NYC Center for Economic Opportunity (CEO) were awarded a Social Innovation Fund (SIF) grant by the Corporation for National and Community Service in July 2010. This grant provides a unique funding opportunity to develop and replicate innovative anti-poverty programs in selected cities across the country. We are seeking qualified non-profit organizations or state or local government agencies in partner cities to become CEO SIF providers (also referred to as sub-grantees) and operate particular program models that will be evaluated over five years. Requests for Proposals (RFPs) will be released in late September and October by The Mayor's Fund and CEO to support the replication of five innovative programs in the following geographic areas: Kansas City, MO; Memphis, TN; New York, NY; Newark, NJ; Northeast Ohio; San Antonio, TX; Savannah, GA; Tulsa, OK. One or more of the program models will be offered in each partner city; not all cities will operate each program. Visit [www.nyc.gov/ceo](http://www.nyc.gov/ceo) for more information.

This design paper describes **WorkAdvance**, a workforce development model designed to assist unemployed and low-wage working adults increase their employment and earnings by finding good quality jobs in selected sectors that have room for advancement within established career pathways.

### **Background**

Past evaluations of employment programs and welfare to work programs have provided solid evidence on what works to help low-income individuals become employed. However, these studies have also found that many people who were assisted in finding jobs were not necessarily better off financially, in part because these jobs were unstable, low-paying, and provided few advancement opportunities. More recent evaluations, using randomized control trials of retention and advancement programs, have yielded evidence of strategies that may be effective in improving job stability and increasing earnings. The proposed WorkAdvance program model extracts a variety of features and strategies from the most successful of these programs and combines them in ways that theory and evidence suggest will produce a more effective model for advancement.

Specifically, WorkAdvance builds on evidence from experimental evaluations of employment retention and advancement programs operated in the United States and the United Kingdom, and quasi experimental evaluations of New York City's career advancement and sector focused

programs.<sup>1</sup> Further, recent evidence from Public / Private Venture's (PPV) study of sectoral employment programs indicates that providing industry-specific skills that meet the needs of local employers in specific demand occupations are successful in significantly raising the earnings of low income participants.<sup>2</sup> The WorkAdvance program model combines the most successful and promising of these advancement strategies.

## Overview of WorkAdvance Model

Using industry sectors<sup>3</sup> as the frame, each program will be grounded in a targeted sector where the provider<sup>4</sup> has demonstrated that it has in-depth knowledge of and strong relationships with employers. More than just a job placement program, the goal of WorkAdvance is to prepare, train and place unemployed and low-wage workers in good quality jobs with established career tracks. Once placed, participants are provided continued assistance to guide them on a path of career advancement. Further, the provider is expected to have close partnerships with the targeted industry and their employers to tailor its services to their needs. This knowledge and experience will enable program staff to keep apprised of shifts in the demand for labor in order to make adjustments to the industry-specific training offerings and ensure training remains relevant.

The program model is designed to meet the individual needs of unemployed and low wage workers by providing five core service components that can be combined in a variety of ways to address program participants' personal circumstances and advancement goals. The core components are pre-employment services, occupational skills training, job development and placement in targeted occupations, post-employment services, and financial assistance. While all five core elements of the model must be offered, providers will adapt and tailor the services to the local labor market, individual needs, and the selected sector.

At the beginning of service delivery, provider staff will work with program participants to orient participants to the job opportunities within the selected sector, assess participants' interest in pursuing these opportunities, and to develop an individual career plan (ICP). The ICP identifies advancement goals and outlines the core service components that will be offered to the participant to further his/her goals. For example, industry-relevant occupational skills training will be offered to participants that do not qualify for immediate placement but demonstrate commitment to pursuing employment to the sector.<sup>5</sup> Upon training completion,

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<sup>1</sup>“ Workforce Innovations: Outcome Analysis of Outreach, Career Advancement and Sector-Focused Programs” (Henderson et al., 2010) *“The Employment Retention and Advancement Project: How Effective Are Different Approaches Aiming to Increase Employment Retention and Advancement? Final Impacts for Twelve Models”* (Hendra et al., 2010 forthcoming); *“Implementation and Second-Year Impacts for Lone Parents in the UK Employment Retention and Advancement (ERA) Demonstration”* (Riccio et al., 2008); *“Advancement Strategies to Help Low-Wage Workers: Impact Results of the Work Advancement and Support Center (WASC) Demonstration”* (vanDok et al., 2010 forthcoming);

<sup>2</sup>“Job Training that Works: Findings from the Sectoral Employment Impact Study” ((Maguire et al., 2009)

<sup>3</sup> A “sector” is defined as a broad division of the economy that consists of businesses that use a similar means of producing goods or providing services. A “subsector” is defined as a major group of somewhat more specialized businesses within a particular sector. For example, Food Manufacturing is a subsector within the Manufacturing sector and Nursing Care Facilities is a subsector within the Health Care sector.

<sup>4</sup> “Provider” in this document refers to the sub-grantee in the RFP.

<sup>5</sup> All skills training offered must be aligned with the skills identified by employers that are needed for the targeted job opportunities identified.

the newly trained participants will receive employment placement assistance from staff that has connections to employers and knowledge of job availability.

Once placed, program participants will receive post-placement services as needed, toward the goal of helping the individual adjust to the workplace, retain employment and continue on his/her career advancement trajectory, which could include at some point in the future job changes and/or further skills training. Post-placement services will also assist individuals with rapid reemployment, should job loss occur. Post-placement services will help participants focus on employment retention, career progression and earnings gains.

## **Description of Core Components**

Each of the core service components are described in greater detail below. While all of these services must be offered, the specific services received will vary according to individual needs.

**1. Pre-employment services:** Participants will receive an orientation customized to the targeted sector, including information on industry trends, occupational opportunities, career ladders, the work environment, and employer expectations. Following an orientation, each individual will meet with a career coach to assess the participant's interest in these job opportunities and to create an ICP; the plan will outline the services (i.e. soft skills, occupational skills) the participants will need to access in order to meet their goals. A focus on career advancement will be instilled from the program start. Individuals ready for direct placement will receive assistance in resume and interview preparation as needed, tailored to industry expectations and occupational requirements.

**2. Occupational skills training:** For individuals who do not possess existing skills required for the occupation selected within the targeted sector, short-term, industry-specific skills training, generally of less than a year in duration, will be offered free of charge to participants and will meet the requirements determined by employers for the targeted occupational track. During the training period, provider staff will remain in contact with the participant to address any obstacles toward completion. Participants that complete training will receive an industry recognized training credential or certification. Providers will be expected to offer trainings at times and locations convenient to the target population, which may include offering services outside of the normal work day or at employer sites in order to accommodate those who are employed.

**3. Job development and placement in targeted occupations:** The provider will pursue a strategic approach to the delivery of WorkAdvance services that is driven by employer demand, informed by an understanding of employer needs, and typified by continuing employer relationships. Because this is an employer-driven model, program staff will have deep knowledge of the targeted industry sector, the occupations skill needs, and career ladders, and they will have extensive experience working closely with individual employers. Program staff will be continuously involved in job development efforts with employers. Job development will include identifying employers and their labor force needs, and beginning to identify and screen potential job slots for job ready program participants (those completing their training or already having the necessary credentials). Qualified program participants (i.e., either participants who were determined to have requisite skills at program entry or those who completed the industry-specific skills training) will be given direct referrals to employers with

job openings in the targeted occupations. A key service to businesses would involve pre-screening candidates for their available job slots. The focus of WorkAdvance is to assist clients in obtaining good quality jobs, rather than to just achieve quick placements. Providers should strive to place individuals in jobs that pay \$10.00 per hour or more, offer at least 30 hours of work per week and provide employer benefits (e.g. health insurance) in order to focus efforts on helping low-wage workers increase their incomes and move out of poverty.

**4. Post-employment services:** Individuals that obtain employment will face a period of adjustment as they begin their tenure as new employees. Participants will receive post-employment services from the provider to promote career advancement, assist with re-employment, and trouble-shoot issues that arise with employers. Post-placement assistance will involve contact with both the client and the employer. If necessary, meetings among the supervisor, the employee and the provider will be convened to obtain feedback on employee performance, resolve issues that arise and identify areas for improvement. Engagement with individuals and employers will focus on identifying steps that can be taken to assist the employee to advance within the industry (such as taking advantage of additional industry-provided training, or an employer's tuition reimbursement program to further educational goals).

Recommended protocol and technical assistance materials will be provided by the SIF team in order to promote proactive and regular interaction between provider staff and the participant as a means to encourage continued participant engagement. It is expected that the ICP will be updated after each participant is placed. The ICP will focus be a career advancement plan that outlines the employee's career goals along with concrete steps the individual has agreed to take to further his/her goals.

Each WorkAdvance program may introduce other strategies that reflect local conditions. For example, there may be after-work (or during lunch-time) short seminars on relevant aspects of the industry for both workers and supervisors. Workers might also obtain assistance with preparing for licensing exams to help them pursue additional advancement opportunities.

**5. Financial assistance:** To help pay for employment-related expenses and to help individuals address potential barriers to employment, each provider will set aside a flexible pool of funding to be used at their discretion in a variety of ways to help individuals, with limited funds, pay for expenses such as uniforms, books, or tools. Similarly, funding might be used to assist individuals with travel costs associated with attending training, or getting to work prior to receiving a first pay check. Each WorkAdvance program will propose uses of the funding pool that reflect their local conditions. As an estimate, funding in the range of \$400 per participant for approximately 50 percent of those served should be set aside for this purpose.

## **Other Features**

### **Eligible cities and number of sub-grantees**

The eligible cities<sup>6</sup> are: New York City (NY), Tulsa (OK) and Northeast Ohio (a 16 county area that includes Akron, Youngstown, Cleveland, and Canton)<sup>7</sup>. Up to two applicants in

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<sup>6</sup> "City" in this document refers to a city or region (in this case of Northeast Ohio).

<sup>7</sup> The 16-county Northeast Ohio region includes: Ashland, Ashtabula, Carroll, Columbiana, Cuyahoga, Geauga, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, and Wayne Counties.

each of three cities will be selected to operate the WorkAdvance model.<sup>8</sup> Within any given city, each selected provider will focus on a different sector. Each provider will be required to implement all five core service components (described above).

To be considered for selection, applicants will need to demonstrate: a proven track record of successfully helping job seekers complete skills training and attain job placement, retention and advancement; deep knowledge of the occupational opportunities identified in the selected sectors; an understanding of the career ladders and pathways for advancement within the identified occupational tracks; experience operating or brokering industry-specific skills training programs; and proof employers are committed to participating in WorkAdvance and in hiring job candidates referred by the sub-grantee. In short, programs must be mature organizations operating sector focused employment programs and be able to scale up their operations to serve the targeted research sample size required for the evaluation.

### **Program Structure**

Providers are encouraged to apply as a collaborative, although individual organizations can apply. If applying as a collaborative, one agency must be designated as the lead. Examples of entities in a collaborative may include training organizations, community colleges, employers (including employer in-house training), unions, and industry association partners (if they operate relevant training programs or labor market exchanges).<sup>9</sup> Applicants who apply as collaborative partners will be asked to name each of the partners, describe the proposed collaborative structure, the role and responsibilities of the collaborative members, and the ways in which they will ensure smooth connections for participants and clear liaisons for employers. Each applicant, whether applying as an individual service provider or as a collaborative, will need to ensure that collectively the core service components of the program model will be covered within the proposed program model. The RFP will require applicants to demonstrate employer connections in their proposal.

### **Target Population**

The program will target unemployed and low-wage working adults, 18 years and older, making less than \$15 per hour and with family income of no more than 200% FPL. The educational levels required at entry will be dependent on the specific job requirements for the industries and occupations selected, although across the occupations targeted it is expected that individuals with lower levels of education (i.e., individuals reading at a 6<sup>th</sup> grade reading level or above) will be accommodated as appropriate to the job.

### **Evaluation**

The program will have a random assignment evaluation to measure the program's impact, and all applicants for funding under the RFP must agree to participate in the evaluation. In this evaluation design, eligible individuals are randomly assigned to either a program group that is offered WorkAdvance services, or a control group that is not eligible for WorkAdvance services but remains eligible for other services in the community. The SIF WorkAdvance team has extensive experience in implementing random assignment designs and will work closely with each of the providers to minimize the burden on program operations. In order to create

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<sup>8</sup> The Mayor's Fund reserves the right to select a third provider in any city depending on applications received and available capacity.

<sup>9</sup> While a wide variety of entities are encouraged as part of a partnership, SIF funding may only go to non-profit organizations or government entities.

these research groups, program operators will need to recruit more potential individuals applying to their program than the number they have resources to serve as part of WorkAdvance.

Prior to random assignment, prospective program participants will be screened to ensure there is an appropriate match between the individual and the selected industry sector. This screening is intended to ensure program eligibility and that individuals are committed to a career in the targeted sector and that they are an appropriate match with the industry and occupational offerings.

### **Size of Program**

In total over the funding period, it is expected that between 1,125 and 1,275 participants per city will receive program services. Each program will start with a pilot phase of three to six months in which approximately 100 participants will be served. In each city, the providers selected will then enroll a combined research sample of 1,500 individuals over an 18-month period. Half of these individuals (750) will be randomly assigned to receive WorkAdvance services, the other half (750) will be assigned to an existing service group where individuals will be free to access existing services in their communities. After the providers meet the target for the research sample, they will continue to provide services for new program participants (serving approximately 275-425).

Each city will be eligible to receive up to \$1,100,000 per year for up to five years. We anticipate 1 to 2 contract awards per city (and may award up to three depending on applications received). Awards are expected to range from \$300,000- \$1.1 million. In addition, the Mayor's Fund will dedicate significant resources to evaluation that are not included in the \$1.1m budget. Roughly half of the direct funding will come from the Social Innovation Fund and other national funders; the balance will come from the sponsoring local foundations and any resources contributed by the applicant. Providers are encouraged, but not required, to leverage local funding to support program operations, such as WIA Individual Training Account vouchers, or contributions from employers (either financial or in-kind). Applicants will also be expected to assist in raising the local fundraising match required by SIF.

### **Sectors and Approach**

Applicants will propose to focus on a single sector in which they have expertise. Applicants who would like to apply in more than one sector will be required to submit separate applications for each sector. It is expected that providers (applying as individual organizations or as a consortium) selected within a city will focus on a different industry sector from each other. A provider may provide services in more than one location within their city.

Within each sector (e.g., hospitality and food services, health care, retail trade or transportation), it is expected that multiple subsectors and occupations would be targeted in order to provide a range of opportunities for job seekers and to meet the needs of employers.<sup>10</sup>

The industries will not be pre-determined by the Mayor's Fund, although in New York City the

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<sup>10</sup> A "sector" is defined as a broad division of the economy that consists of businesses that use a similar means of producing goods or providing services. A "subsector" is defined as a major group of somewhat more specialized businesses within a particular sector. For example, Food Manufacturing is a subsector within the Manufacturing sector and Nursing Care Facilities is a subsector within the Health Care and Social Assistance sector.

Manufacturing and Transportation sectors are excluded because of existing sector-focused career centers focused in these areas.<sup>11</sup> Providers will be expected to justify their selection of an industry sector based on labor market analysis of growth potential, and the existence of a range of clearly defined career paths that program participants can follow in order increase their incomes and advance in their careers. For example, within healthcare, services provided might assist in the placement of individuals into jobs as varied as medical billing, phlebotomy, EMT training, certified nurse aide, or physician office reception.

Providers will be expected to focus on occupations with good quality jobs, defined as those with higher wages, full-time work, employer sponsored benefits and in occupations with room for career advancement. Further, providers must demonstrate their strong capacity to carry out this approach, and adapt to changes in the labor market and employer need.

Providers implementing the model would identify employer hiring needs in an industry, have close ties to employers in this industry, tailor existing training programs or other services to best meet employer hiring needs, and provide a pipeline for suitable, trained, and/or “vouched for” participants to be considered for specific job openings at local employers.<sup>12</sup> Providers are expected to offer short-term occupational training which aligns with an educational pathway that leads to a postsecondary or industry recognized credential or certification.

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<sup>11</sup> NYC also operates a sector-based Healthcare Career Center. This sector, or any related subsector, will not be excluded, although proposers are encouraged to focus in areas other than Hospitals and Nursing and Residential Care Facilities.

<sup>12</sup> Implementation research would assess whether this pipeline enables the service-providing institutions to build their capacity as “employer/potential employee intermediaries” and thus to both improve the quality of their training programs and increase their bargaining power with employers over time.